

AGENDA



Recommendation for Council Action (Purchasing)

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| Austin City Council | Item ID: | 20703 | Agenda Number | 52. |
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| Meeting Date: | December 13, 2012 |
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| Department: | Purchasing |
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Subject

Authorize award and execution of Amendment No. 2 to a contract with ONEOK, INC. dba TEXAS GAS SERVICE, for the transportation of natural gas for the Fleet Services Department to extend the contract for two 12-month extension options in an amount not to exceed \$48,000 per extension option and to extend the contract for one 19-month extension option in an amount not to exceed \$76,000, for a revised total estimated contract amount not to exceed \$212,000.

Amount and Source of Funding

Funding in the amount of \$40,000 is available in the Fiscal Year 2012-2013 Operating Budget of the Fleet Services Department. Funding for the remaining two months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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| Purchasing Language: | Contract Amendment |
| Prior Council Action: | |
| For More Information: | Colleen Athey, Senior Buyer, 974-2938 |
| Boards and Commission Action: | |
| MBE / WBE: | |
| Related Items: | This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation. |

Additional Backup Information

This contract is for the transportation of natural gas to the City's compressed natural gas (CNG) station located at 2400 Business Center Drive in Austin, Texas which is currently equipped with 28 time fill stations and one fast fill station. The time fill stations are used to fuel 28 CNG heavy-duty City vehicles for Austin Resource Recovery each night and the fast fill station is used to fuel City owned CNG vehicles and for public use. Additional CNG-fueled vehicles are planned as part of the Citywide goal to have a carbon neutral fleet by the year 2020. Fleet is working on a plan to add an additional 28 time fill stations to accommodate the additional CNG vehicles.

Ordinance No. 20061005-023 granted Texas Gas Service, a division of Oneok, Inc. a franchise for the distribution and sale of gas in the City of Austin through the use of public streets, easements, and rights-of-way.

This contract was awarded in 2011 for a 12-month base period in the amount of \$10,000 with subsequent extension options to be executed until terminated by either party. Amendment No. 1 was issued in August 2012 to exercise the first extension option. An administrative increase in the amount of \$20,000 was exercised in October 2012.

This recommended Council action is to approve Amendment No. 2 to increase the annual contract amount by \$38,000 from \$10,000 to \$48,000 and for the authorization to enter into the second, third, and fourth extension options for a final contract value of \$212,000.

Texas Gas Service is the only natural gas supplier that can provide service at the address specified in the contract because it is the only supplier with a distribution network at 2400 Business Center Drive.

Contract Summary

| ACTION | DESCRIPTION | AMOUNT |
|--------------------------|---------------------------------------|-----------|
| Contract Award | Original 12-month contract | \$10,000 |
| Amendment No. 1 | Exercise the first extension option | \$10,000 |
| Administrative Increase | Increase the current contract period | \$20,000 |
| Proposed Amendment No. 2 | Authorize the second extension option | \$48,000 |
| | Authorize the third extension option | \$48,000 |
| | Authorize the fourth extension option | \$76,000 |
| Total Contract Amount | | \$212,000 |